



USFRCS MEMORANDUM NO. 64

TO: Arizona Charter School Administrators;
Administrators of School Districts Sponsoring Charter Schools

FROM: Magdalene D. Haggerty, Office of the Auditor General
Vicki G. Salazar, Arizona Department of Education (ADE)

DATE: April 13, 2006

SUBJECT: Charter School Annual Budget Revisions for Fiscal Year (FY) 2005-06 (Supersedes USFRCS Memorandum No. 57)

Charter schools may revise their adopted budgets during the fiscal year provided all revisions are completed and approved at a Governing Board meeting before May 15. If a school has overestimated its student count and state equalization assistance, it **must** revise its budget before May 15. If a school underestimated its student count and state equalization assistance or received federal or state grants or other miscellaneous receipts that were not included in its adopted budget, the school may revise its budget before May 15 to include any additional monies received or to be received.

Charter schools participating in the National School Lunch Program are required to spend a portion of their state equalization assistance to support the operation of their food service program. Schools must report on their budget the amount of state equalization assistance that will be expended for their food service program during the 2005-06 school year. Affected schools that have not budgeted for state matching requirements should revise their budget to include the amount of state equalization assistance to be expended for their food service program on page 2 of the budget before May 15. The Child Nutrition Programs Office will verify the amount reported on the budget as spent when schools' annual financial reports are submitted. Any questions related to state matching requirements should be directed to the Child Nutrition Programs Office at (602) 542-8700.

The school's 100th-day student count (ADMS 46-1 report) is posted on the school's page of ADE's Web site at www.ade.az.gov/districts/entityselection.asp. Schools (including schools offering 200 days of instruction) should use the 100th-day student count in revising the FY 2005-06 budget work sheets and forms. Schools providing 200 days of instruction will adjust the FY 2006-07 budget for any discrepancies between the FY 2005-06 100th-day and 200th-day student counts. Instructions for making this adjustment will be included with the FY 2006-07 budget forms.

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When the budget is revised the information on the cover page must be updated. The revised budget must be marked as "Revised" by selecting the appropriate version from the drop-down box, and the date of submission should be recorded in the space provided. A hard copy should be printed, signed by two school officials, and provided to the Governing Board to sign.

Schools that revise their FY 2005-06 budget forms or work sheets must submit fully completed budget forms and work sheets (see USFRCS Memorandum No. 58, issued June 3, 2005) to the ADE School Finance Operations Unit by May 18, 2006. An adopted budget must have been submitted by the charter school and successfully processed by ADE prior to submitting a revised budget. A copy of the signed cover page should be mailed to ADE, School Finance, Bin 13, 1535 West Jefferson, Phoenix, AZ 85007. The completed budget forms and work sheets must be uploaded via the Common Logon on ADE's Web site at www.ade.az.gov/commonlogon. Please use the following menu option: School Finance File Upload (Budget/AFR). For password information or help, please contact ADE's Support Center at (602) 542-7378 [outside the Phoenix area call (866) 577-9636], or e-mail at enterprise@ade.az.gov.

If you have any questions or need assistance, please contact the ADE School Finance Operations Unit at (602) 542-5695, or the Office of the Auditor General, Accounting Services Division at (602) 553-0333.

MDH/VGS/ms